

08-23-2001



RECORD# 101821282
TRADEMARKS ONLY

17
1# 2001

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID #
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☐ License
- ☐ Security Agreement ☐ Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- ☐ Merger
- ☐ Change of Name
- ☒ Other GRANT OF SECURITY INTEREST (TRADEMARKS)

Conveying Party

☒ Mark if additional names of conveying parties attached

Execution Date
Month Day Year
07 27 01

Name GENMAR IP LLC

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association
- ☒ Other LIMITED LIABILITY COMPANY
- ☒ Citizenship/State of Incorporation/Organization DELAWARE

Receiving Party

☐ Mark if additional names of receiving parties attached

Name THE BANK OF NEW YORK, as Collateral Agent

DBA/AKA/TA

Composed of

Address (line 1) ONE WALL STREET

Address (line 2)

Address (line 3) NEW YORK

NEW YORK

10286

State/Country

Zip Code

- ☐ Individual ☐ General Partnership ☐ Limited Partnership
- ☒ Corporation ☐ Association
- ☐ Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached.
(Designation must be a separate document from Assignment.)

☒ Citizenship/State of Incorporation/Organization NEW YORK

FOR OFFICE USE ONLY

08/22/2001 GTON11 00000141 1413276

01 FC:481
02 FC:482

40.00 OP
1000.00 OP

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002353 FRAME: 0635

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number (212) 238-3244

Name

EMMET, MARVIN & MARTIN, LLP

Address (line 1)

JANELLE TELESFORD, LEGAL ASSISTANT

Address (line 2)

120 BROADWAY

Address (line 3)

NEW YORK, NY 10271

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

42

Trademark Application Number(s) or Registration Number(s)



Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

SEE ATTACHED

Number of Properties

Enter the total number of properties involved.

41

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 1,040.00

Method of Payment:

Enclosed ☒

Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐

No ☒

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

LORI POTTS

Name of Person Signing

Signature

08/13/01

Date Signed

Additional Conveying Parties

<u>Assignor</u>	<u>Entity</u>	<u>State of Organization/ Incorporation</u>
JTC Acquisition LLC	Limited Liability Company	Delaware
Genmar Transportation LLC	Limited Liability Company	Delaware
Four Winns Boats, L.L.C.	Limited Liability Company	Delaware
Seaswirl Boats, Inc.	Corporation	Delaware
Lowe Boats, Inc.	Corporation	Delaware
Stratos Boats, Inc.	Corporation	Delaware
Lund Boats, Inc.	Corporation	Delaware
Genmar Yacht Center, Inc.	Corporation	Delaware
Yachtscape LLC	Limited Liability Company	Delaware

GENMAR IP LLC
U.S. TRADEMARK REGISTRATIONS

TRADEMARK	REG. NO.	ISSUE DATE	INTL CLASS
CONTINENTAL	1,413,276	10/14/86	12
EUROSPORT	1,406,665	8/26/86	12
FISHING MACHINE	1,633,952	2/5/91	12
FLING	1,902,166	6/27/95	12
FOUR WAVES DES w/o border	1,470,599	12/29/87	12
FOUR WAVES DES. w/border	1,471,376	1/5/88	12
FOUR WINNS	1,468,967	12/15/87	12
HYDRA-SPORTS	1,261,657	12/20/83	12
JAMAICA	1,800,075	10/19/93	12
JAVELIN	2,402,221	11/7/00	25
JAVELIN	1,497,623	7/26/88	12
JAVELIN & DESIGN	1,565,804	11/14/89	12
LIBERATOR	1,468,966	12/15/87	12
LOWE	1,603,634	6/26/90	12
LTS	2,404,366	11/14/00	12
ODYSSEY	1,951,414	1/23/96	12
ROUGHNECK	1,380,317	1/28/86	12
SEA NYMPH	1,006,889	3/18/75	12
SEAHORSE	2,404,371	11/14/00	12
SEASWIRL	2,404,361	11/14/00	25
SEASWIRL	698,900	6/7/60	12
SIZZLER	1,873,753	1/17/95	12
SPORT DECK	1,988,750	7/23/96	12
SPRINGBOK	1,729,183	11/3/92	12
SPYDER	1,793,585	9/21/93	12
STABLE-VEE	1,767,392	4/27/93	12
STINGER	1,860,354	10/25/94	12
STRATOS	1,393,959	5/20/86	12
STRIPER & DESIGN	2,375,474	8/8/00	12
SUNCRUISER	1,660,731	10/15/91	12
TAHITI	1,796,949	10/5/93	12
TOPAZ	1,021,025	9/23/75	12
TRINIDAD	1,796,650	10/5/93	12
VEE-LOK	1,530,770	3/21/89	12
VERSAILLES	2,383,464	9/5/00	12
VISTA	2,381,562	8/29/00	12
WE TAKE THE WORLD BOATING	2,225,593	2/23/99	12
YUKON	2,404,372	11/14/00	12
UNIFLITE	688,633	11/24/59	12
VENOM	1,871,033	1/3/95	7
VENOM	2,393,601	10/10/00	12

GRANT OF SECURITY INTEREST (TRADEMARKS)

The undersigned, a Delaware limited liability company (the "**Grantor**"), is obligated to THE BANK OF NEW YORK, AS COLLATERAL AGENT (the "**Secured Party**"), and has entered into the Security Agreement, dated as of July 27, 2001, by and among Grantor, JTC Acquisition LLC, Genmar Transportation LLC, Four Winns Boats, L.L.C., Seaswirl Boats, Inc., Lowe Boats, Inc., Stratos Boats, Inc., Lund Boats, Inc., Genmar Yacht Center, Inc. and Yachtscape LLC (as amended, supplemented or otherwise modified from time to time, the "**Agreement**"), in favor of the Secured Party.

Pursuant to the Agreement, the Grantor granted to the Secured Party a security interest in and to all of the right, title and interest of the Grantor in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "**Trademarks**"), together with the goodwill of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "**Collateral**"), to secure the prompt payment, performance and observance of the Secured Obligations (as defined in the Agreement).

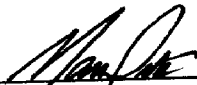
For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Grantor does hereby further assign to the Secured Party, and grant to the Secured Party a security interest in, the Collateral to secure the prompt payment, performance and observance of the Secured Obligations (as defined in the Agreement).

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

The Secured Party's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Grantor has caused this Grant of Security Interest to be duly executed by its duly authorized officer as of the 27th day of July, 2001.

GENMAR IP LLC

By: 
Name: Mark W. Peters
Title: VP

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) ss.:

On the 26TH day of July in the year 2001 before me, the undersigned, personally appeared MARK W. PETERS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Emily E. Waughmire
Notary Public

My Commission Expires:

1/31/05

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of July 27, 2001 by and among JTC Acquisition LLC, a Delaware limited liability company ("JTC"), Genmar Transportation LLC, a Delaware limited liability company ("GT"), Genmar IP LLC, a Delaware limited liability company ("G-IP"), Seaswirl Boats, Inc., a Delaware corporation ("Seaswirl"), Lowe Boats, Inc., a Delaware corporation ("Lowe"), Stratos Boats, Inc. a Delaware corporation ("Stratos"), Lund Boats, Inc., a Delaware corporation ("Lund"), Genmar Yacht Center, Inc., a Delaware corporation ("GYCI"), Yachtscape LLC, a Delaware limited liability company ("Yachtscape") and Four Winns Boats, L.L.C., a Delaware limited liability company ("FWB"; collectively with JTC, GT, G-IP, Seaswirl, Lowe, Stratos, Lund, GYCI and Yachtscape, each an Assignor and collectively the "Assignors") and The Bank of New York, as collateral agent for itself and the financial institutions parties to the Credit Agreement referred to below (in such capacity, together with its successors and assigns, the "Collateral Agent").

W I T N E S S E T H:

WHEREAS, Genmar Holdings, Inc., a Delaware corporation (the "Company"), the financial institutions parties thereto (the "Lenders"), and The Bank of New York, as Agent for the Lenders (the "Agent", and together with the Lenders, the "Secured Parties") and BNY Capital Markets, Inc., as Sole Lead Arranger and Book Runner are parties to the Third Amended and Restated Credit Agreement, dated as of July 30, 1999 (as the same may be amended or otherwise modified from time to time the "Credit Agreement").

WHEREAS, it is a condition precedent to the Agent's execution of Amendment No. 6 and Waiver to Credit Agreement that, inter alia, the Assignors execute and deliver this Security Agreement to the Collateral Agent;

NOW, THEREFORE, the parties hereto hereby agree as follow:

ARTICLE I.

DEFINITIONS

Section 1.1 Defined Terms. As used herein, capitalized terms defined in the Credit Agreement and not otherwise defined herein are used herein as so defined and the following terms shall have the following meanings:

"Account Debtor" shall mean the person who is obligated on a Receivable.

"Accounts" shall mean "accounts" as such term is defined in Section 9-102(a) of the UCC.

"Chattel Paper" shall mean "chattel paper" as such term is defined in Section 9-102(a) of the UCC.

"Collateral" shall have the meaning assigned to it in Section 2 hereof.

"Collateral Records" shall mean books, records, computer software, computer printouts, customer lists, blueprints, technical specifications, manuals, and similar items which relate to any Collateral other than such items obtained under license or franchise agreements which prohibit assignment or disclosure of such items.

"Deposit Accounts" shall mean the Security Agreement Collateral Account and any deposit account, including without limitation, "deposit accounts" as such term is defined in Section 9-102(a) of the UCC and any other deposit or securities account (general or special), together with any funds, instruments or other items credited to any such account from time to time, and all interest thereon.

"Documents" shall mean "documents" as such term is defined in Section 9-102(a) of the UCC.

"Equipment" shall mean "equipment" as such term is defined in Section 9-102(a) of the UCC, including, without limitation, machinery, manufacturing equipment, data processing equipment, computers, office equipment, furniture, appliances and tools.

"Fixtures" shall mean "fixtures" as such term is defined in Section 9-102(a) of the UCC.

"General Intangibles" shall mean "general intangibles" as such term is defined in Section 9-102(a) of the UCC, including, without limitation, trademarks, copyrights, patents, and contracts, licenses and franchises (except in the case of licenses and franchises in respect of which any of the Assignors is the licensee or franchisee if the agreement in respect of such license or franchise prohibits by its terms any assignment or grant of a security interest), limited and general partnership interests and joint venture interests, federal income tax refunds, trade names, distributions on certificated securities (as defined in § 8-102(a) of the UCC) and uncertificated securities (as defined in § 8-102(a) of the UCC), computer programs and other computer software, inventions, designs, trade secrets, goodwill, proprietary rights, customer lists, supplier contracts, sale orders, correspondence, advertising materials, payments due in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any property, reversionary interests in pension and profit-sharing plans and reversionary, beneficial and residual interests in trusts, credits with and other claims against any Person, together with any collateral for any of the foregoing and the rights under any security agreement granting a security interest in such collateral.

"Hedging Agreements" shall mean interest rate or currency protection or hedging arrangements, including without limitation, caps, collars, floors, forwards and any other similar or dissimilar interest rate or currency exchange agreements or other interest rate or currency hedging arrangements.

"Instruments" shall mean "instruments" as such term is defined in Section 9-102(a) of the UCC.

“Insurance Policies” shall mean insurance policies.

“Inventory” shall mean “inventory” as such term is defined in Section 9-102(a) of the UCC, including without limitation, all goods (whether such goods are in the possession of any of the Assignors or of a bailee or other Person for sale, lease, storage, transit, processing, use or otherwise and whether consisting of whole goods, spare parts, components, supplies, materials or consigned or returned or repossessed goods), including without limitation, all such goods which are held for sale or lease or are to be furnished (or which have been furnished) under any contract of service or which are raw materials or work in progress or materials used or consumed in such Assignor’s business.

“Money” shall mean “money” as such term is defined in Section 1-201(24) of the UCC.

“Motor Vehicles” shall mean motor vehicles, tractors, trailers and other like property, if title thereto is governed by a certificate of title ownership.

“Permitted Liens” shall mean those Liens permitted pursuant to Sections 7.3(a), (b),(c),(d), (e) and (i) of the Credit Agreement.

“Proceeds” shall mean “proceeds” as such term is defined in Section 9-102(a) of the UCC.

“Receivables” shall mean all rights to payment for goods sold or leased or services rendered, whether or not earned by performance and all rights in respect of the Account Debtor, including without limitation, all such rights in which any Assignor has any right, title or interest by reason of the purchase thereof by such Assignor, and including without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible, note, contract, invoice, purchase order, draft, acceptance, book debt, intercompany account, security agreement, or other evidence of indebtedness or security, together with (a) any collateral assigned, hypothecated or held to secure any of the foregoing and the rights under any security agreement granting a security interest in such collateral, (b) all goods, the sale of which gave rise to any of the foregoing, including, without limitation, all rights in any returned or repossessed goods and unpaid seller’s rights, (c) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, and (d) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith.

“Receivables Records” shall mean (a) all original copies of all documents, instruments or other writings evidencing the Receivables, (b) all books, correspondence, credit or other files, records, ledger sheets or cards, invoices, and other papers relating to Receivables, including without limitation all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of any Assignor or any computer bureau or agent from time to time acting for such Assignor or otherwise, (c) all evidences of the filing of financing statements and the registration of other instruments in connection therewith and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and

certificates, acknowledgements, or other writings, including without limitation lien search reports, from filing or other registration officers, (d) all credit information, reports and memoranda relating thereto, and (e) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

“Secured Obligations” shall mean (a) all “Obligations” as such term is defined in Section 1.1 of the Credit Agreement; (b) all other obligations, liabilities of every kind, nature or description, direct or indirect, primary or secondary, joint or several, absolute or contingent of any Assignor and the other Loan Parties to the Collateral Agent and the Secured Parties whether due or to become due and whether now existing or hereafter incurred and whether similar or dissimilar to the obligations described in clause (a) hereof, and including without limitation all consumer or commercial transactions, all purchase money and nonpurchase money transactions, all overdrafts, all letters of credit, all lines of credit and all other extensions of credit, regardless of how they may be evidenced; and (c) all “Guaranteed Obligations” of any Assignor as such term is defined in Section 2 of the Guaranty.

“Security Agreement” shall mean this Security Agreement, as the same may from time to time be amended, supplemented or otherwise modified.

“Security Agreement Collateral Account” shall mean, collectively, the accounts (which may be a securities account) maintained pursuant to this Security Agreement by the Collateral Agent, entitled “JTC Acquisition LLC Collateral Account, Collateral Agent, secured party”, “Genmar IP LLC Collateral Account, Collateral Agent, secured party”, “Genmar Transportation LLC Collateral Account, Collateral Agent, secured party”, “Four Winns Boats, L.L.C. Collateral Account, Collateral Agent, secured party”, “Seaswirl Boats, Inc. Collateral Account, Collateral Agent, secured party”, “Lowe Boats, Inc. Collateral Account, Collateral Agent, secured party”, “Stratos Boats, Inc. Collateral Account, Collateral Agent, secured party”, “Lund Boats, Inc. Collateral Account, Collateral Agent, secured party”, “Genmar Yacht Center, Inc. Collateral Account, Collateral Agent, secured party” and “Yachtscape LLC Collateral Account, Collateral Agent, secured party”, and all funds and instruments or other items from time to time credited to such accounts and all interest thereon.

“2001 Claim” shall mean the claims of the Company and/or its Subsidiaries (including, but not limited to, the Assignors) arising from the misappropriation of approximately \$16,000,000.

“2001 Insurance Proceeds” shall mean any proceeds of insurance payable in respect of the 2001 Claim to the Company or a Subsidiary of the Company (including, but not limited to, the Assignors) under the insurance policy issued by National Union Fire Insurance Company having a coverage limit of \$10,000,000.

“2001 Recovery Proceeds” shall mean and include all monies due and to become due to the Company or any of its Subsidiaries (including, but not limited to, the Assignors) in respect of the 2001 Claim, including, without limitation, the 2001 Insurance Proceeds.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

ARTICLE II.

GRANT OF SECURITY INTERESTS

As security for the prompt and complete payment and performance in full of all the Secured Obligations, each Assignor hereby assigns, pledges and transfers to the Collateral Agent for itself and the ratable benefit of the Secured Parties and grants to the Collateral Agent for itself and for the ratable benefit of the Secured Parties a security interest in and continuing lien on all of such Assignor’s right, title and interest in, to and under the following, in each case, whether now owned or existing or hereafter acquired or arising, and wherever located (all of which being hereinafter collectively called the “Collateral”):

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) the Security Agreement Collateral Account;
- (iv) all Collateral Records;
- (v) all Deposit Accounts;
- (vi) all Documents;
- (vii) all Equipment;
- (viii) all Fixtures;
- (ix) all General Intangibles;
- (x) all Hedging Agreements;
- (xi) all Instruments;
- (xii) all Insurance Policies;
- (xiii) all Inventory;
- (xiv) all Money;
- (xv) all Motor Vehicles;
- (xvi) all Receivables;
- (xvii) all Receivables Records;

(xviii) all 2001 Recovery Proceeds;

(xix) all other tangible and intangible personal property; and

(xx) all accessions and additions to any or all of the foregoing, all substitutions and replacements for any or all of the foregoing and all Proceeds or products of any or all of the foregoing;

Provided that any asset subject to a Lien (other than a Lien created pursuant to a Security Document) permitted pursuant to Section 7.3(g) or (h) of the Credit Agreement shall not constitute Collateral.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

Each Assignor hereby represents and warrants to the Collateral Agent and the Secured Parties which representations and warranties shall survive execution and delivery of this Security Agreement, as follows:

Section 3.1 Validity, Perfection and Priority. (a) The security interests in the Collateral granted to the Collateral Agent for itself and the ratable benefit of the Secured Parties hereunder constitute valid and continuing security interests in the Collateral and (b) upon filing financing statements naming the Assignor, as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth on Schedule I hereto the security interests in the Collateral granted to the Collateral Agent for itself and the ratable benefit of the Secured Parties hereunder will constitute perfected security interests therein superior and prior to all Liens, rights or claims of all other Persons other than Liens permitted pursuant to Section 7.3(a) of the Credit Agreement.

Section 3.2 No Liens; Other Financing Statements. (a) Except for the Lien granted to the Collateral Agent for itself and the ratable benefit of the Secured Parties hereunder, the Assignor owns and, as to all Collateral whether now existing or hereafter acquired will continue to own, each item of the Collateral free and clear of any and all Liens, rights or claims of all other Persons other than Permitted Liens, and the Assignor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Collateral Agent or any Secured Party.

(b) No financing statement or other evidence of lien covering or purporting to cover any of the Collateral is on file in any public office other than (i) financing statements filed or to be filed in connection with the security interests granted to the Collateral Agent for itself and the benefit of the Secured Parties hereunder, (ii) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (iii) financing statements filed in connection with Permitted Liens.

Section 3.3 Chief Executive Office; Records. The chief executive office of each Assignor is located at the address set forth on Schedule III attached hereto. The Receivables Records and all Collateral Records are located at the locations identified on Schedule III as such or at the chief executive office of the Assignor. All Receivables are maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from the chief executive office or the offices identified on Schedule III as such.

Section 3.4 Location of Inventory and Equipment. All Inventory and Equipment now or from time to time included in the Collateral is kept only at the locations listed on Schedule IV. None of such Inventory or Equipment is in the possession of an issuer of a negotiable document (as defined in UCC Section 7-104) therefor or otherwise in the possession of a bailee.

Section 3.5 Receivables. (a) Each Receivable (i) is and will be the genuine, legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (ii) is and will be enforceable in accordance with its terms, (iii) is and will be in full force and effect and is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except (x) with respect to refunds, returns and allowances in the ordinary course of business with-respect to damaged merchandise, (y) setoffs arising from the Account Debtor supplying engines to the Assignor and (z) to the extent that such Receivable may not yet have been earned by performance) and (iv) is and will be in compliance with all applicable laws, whether federal, state, local or foreign.

(b) No Receivables which are evidenced by Chattel Paper require the consent of the Account Debtor in respect thereof in connection with assignment hereunder and no other receivable to prohibit assignment or require the consent of the Account Debtor thereunder in connection with assignment.

(c) The Assignor has delivered to the Collateral Agent a complete and correct copy of each model form of document under which a Receivable may arise, including without limitation, a form of each model invoice, security agreement, contract, master contract, promissory note, order form or similar model document used by the Assignor in the ordinary course of business.

The representations and warranties contained in this Section shall be deemed to be repeated by an Assignor as of the time when each Receivable arises.

Section 3.6 Fair Labor Standards Act. Any goods now or hereafter produced by the Assignor included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended.

Section 3.7 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products defined in the UCC.

Section 3.8 Tradenames; Prior Names. The only names under which the Assignor has conducted business during the last five years are as set forth in Exhibit 3.8.

Section 3.9 Documented or Titled. None of the Inventory is documented or required to be documented pursuant to the ship mortgage laws (46 U.S.C.A. §§30101, 31301-31343 (1994)) or titled or required to be titled under the certificate of title laws of any jurisdiction.

ARTICLE IV.

COVENANTS

Each Assignor covenants and agrees with the Collateral Agent and the Secured Parties that from and after the date of this Security Agreement:

Section 4.1 Further Assurances. (a) At any time and from time to time, upon the request of the Collateral Agent, and at the sole expense of the Assignor, the Assignor will promptly and duly execute and deliver any and all such further instruments, endorsements, powers of attorney and other documents, make such filings, give such notices and take such further action as the Collateral Agent may reasonably deem desirable in obtaining the full benefits of this Security Agreement and of the rights, remedies and powers herein granted, including, without limitation, the following:

(i) the filing of any financing statements, in form acceptable to the Collateral Agent under the Uniform Commercial Code in effect in any jurisdiction with respect to the liens and security interests granted hereby. The Assignor also hereby authorizes the Secured Party to file any such financing statement without the signature of the Assignor to the extent permitted by applicable law. A photocopy or other reproduction of this Security Agreement shall be sufficient as a financing statement and may be filed in lieu of the original to the extent permitted by applicable law. The Assignor will pay or reimburse the Collateral Agent for all filing fees and related expenses;

(ii) will make or reimburse the Collateral Agent for making all searches deemed necessary by the Collateral Agent to establish and determine the priority of the security interests of the Secured Party or to determine the presence or priority of other secured parties;

(iii) upon request of the Collateral Agent, cause the Collateral Agent for the benefit of the Secured Parties to be listed as the lienholder on the certificate of title or ownership covering any Collateral (other than Motor Vehicles as to which the mandatory provisions of Section 4.12 hereof shall govern) covered by such a certificate of title or ownership and to deliver evidence thereof to the Collateral Agent within 5 Business Days;

(iv) furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail and in form satisfactory to the Collateral Agent; and

(v) upon the request of the Collateral Agent, comply to the satisfaction of the Collateral Agent with the provisions of the Federal Assignment of Claims Act of 1940, including without limitation executing and delivering to the Collateral Agent all statements of assignment and notifications which are deemed necessary by the Collateral Agent to effectuate the assignment of any Receivable to the Collateral Agent.

Section 4.2 Change of Chief Executive Office. The Assignor will not move its chief executive office except to such new location as the Assignor may establish in accordance with the last sentence of this Section. The originals of all Receivables Records and all Collateral Records will continue to be kept at such chief executive office or at the locations identified on Schedule III as such, or at such new locations as the Assignor may establish in accordance with the last sentence of this Section. All Receivables and Receivables Records of the Assignor will continue to be maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from, a location identified as such on Schedule III, or such new locations as the Assignor may establish in accordance with the last sentence of this Section. The Assignor shall not establish a new location for its chief executive office or such activities (or move any such activities from the location listed in Schedule III therefor) until (i) it shall have given to the Collateral Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may reasonably request, and (ii) with respect to such new location, it shall have taken all action satisfactory to the Collateral Agent as the Collateral Agent may request to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected with the same or better priority and in full force and effect.

Section 4.3 Change of Location of Inventory and Equipment. The Assignor agrees that (i) all Inventory and Equipment now held or subsequently acquired by it shall be kept at (or shall be in transport to) any one of the locations shown on Schedule IV, or such new location as the Assignor may establish in accordance with the last sentence of this Section. The Assignor may establish a new location for Inventory and Equipment only if (i) it shall have given to the Collateral Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may request, and (ii) with respect to such new location, it shall have taken all action satisfactory to the Collateral Agent as the Collateral Agent may request to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected with the same or better priority and in full force and effect.

Section 4.4 Change of Name; Identity or Corporate Structure. The Assignor shall not change its name or conduct any significant portion of its business under any new trade names, identity or corporate structure until (i) it shall have given to the Collateral Agent not less than 30 days' prior written notice of its intention to do so clearly describing such new name, identity or corporate structure or such new trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request, and (ii) with respect to such new name, identity or corporate structure or such new trade name, it shall have taken all action satisfactory to the Collateral Agent as the Collateral Agent may request to maintain the security

interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected with the same or better priority and in full force and effect.

Section 4.5 Delivery of Instruments. The Assignor shall deliver each of the Instruments set forth on Schedule II to the Collateral Agent, appropriately indorsed or assigned or to the order of the Collateral Agent or in such other manner as shall be satisfactory to the Collateral Agent, on or before the effective date of this Security Agreement. If any Instrument shall at any time comprise any portion of the Collateral, the Assignor shall within 10 days notify the Secured Party thereof, and upon request by the Collateral Agent promptly deliver such Instrument to the Collateral Agent appropriately indorsed or assigned or to the order of the Collateral Agent or in such other manner as shall be satisfactory to the Collateral Agent.

Section 4.6 Maintain and Mark Records and Receivables. The Assignor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral, including, but not limited to, the originals of all documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith. The Assignor shall legend, in form and manner reasonably satisfactory to the Collateral Agent all Chattel Paper and other evidence of Receivables, as well as the Receivables Records with an appropriate reference to the fact that the Chattel Paper and all other Receivables have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

Section 4.7 Right of Inspection. The Collateral Agent shall at all reasonable times have full and free access during normal business hours to all the books, correspondence and records of the Assignor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and the Assignor agrees to render to the Collateral Agent, at the Assignor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its respective representatives shall at all times also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

Section 4.8 Insurance. (a) The Assignor shall maintain or cause to be maintained with financially sound and reputable insurers acceptable to the Collateral Agent and licensed to do business in each state in which any of the Collateral covered by any policy is located, insurance with respect to the Collateral and its use, against loss or damage of the kinds customarily insured against by reputable companies in the same or similar businesses, such insurance to be of such types and in such amounts (with such deductible amounts) as is customary for such companies under the same or similar circumstances, and the types, amounts and terms of which shall, in any event, be Acceptable to the Collateral Agent. Without limiting the generality of the foregoing, the Assignor (a) will keep the Collateral insured on an "all risk" basis, as appropriate for any particular Collateral against loss or damage by fire, standard extended coverage perils and such other hazards, occurrences and events as are customarily required by a prudent lender in the area where the Collateral is located in amounts not less than the replacement cost of the Collateral, and (b) will maintain the amount customarily obtained by the same or similar businesses, general

public liability insurance against claims for bodily injury, death or property damage occurring as a result of the Collateral.

The Assignor shall not obtain or carry separate insurance concurrent in form or contributing in the event of loss with that required in this Section to be furnished by the Assignor unless the Collateral Agent and the Secured Parties are included as named insured, with loss payable as provided herein. All policies of insurance shall (i) name the Collateral Agent and each of the Secured Parties as additional insured (with respect to liability insurance policies) or loss payees with a lender's loss payable endorsement and a standard "New York" mortgagee provision with a no contribution clause (with respect to property insurance policies), in each case as their respective interests may appear, (ii) include waivers by the insurer of all claims for insurance premiums against the Collateral Agent or any Secured Party, (iii) provide that, any losses shall be payable to the Collateral Agent and the Secured Parties notwithstanding (except with respect to third party liability insurance)(A) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by the Assignor, the Collateral Agent or any Secured Party, (B) any foreclosure or other proceedings or notice of sale relating to any Collateral insured thereunder, or (C) any change in the title to or ownership of any Collateral insured thereunder, and (iv) provide that no cancellation, termination or lapse in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice.

The Assignor shall pay the premiums for all policies of insurance as the same become due and payable and shall deliver evidence thereof to the Collateral Agent. At the request of the Collateral Agent, the Assignor will assign and deliver all policies of insurance to the Collateral Agent. In any event, a certificate of insurance for each of the policies of insurance shall be issued to the Collateral Agent within 30 days after the execution and delivery of this Security Agreement. Not later than 30 days prior to the expiration date of each of the policies, the Assignor will deliver to the Collateral Agent a renewal policy or policies or certificates of insurance to the Collateral Agent accompanied by evidence of payment of premiums satisfactory to the Collateral Agent. If at any time the Collateral Agent is not in receipt of written evidence that all insurance required hereunder is in full force and effect, the Collateral Agent shall have the right without notice to the Assignor to take such action as the Collateral Agent deems necessary to protect its interest in the Collateral, including, without limitation, the payment of any premiums that are due and payable or the obtaining of such insurance coverage as the Collateral Agent in its sole discretion deems appropriate, and all expenses incurred by the Collateral Agent in connection with such action or in obtaining such insurance and keeping it in effect, together with interest thereon at the Default Rate applicable to Base Rate Loan shall be paid by the Assignor to the Collateral Agent upon demand and such payment obligations shall be secured hereby. Anything contained in this Section to the contrary notwithstanding, any and all insurance which the Assignor is obligated to carry pursuant to this Section may be carried under a general coverage "floater" policy, master insurance policy, "blanket" policy or policies covering other properties or liabilities, provided that the coverage so provided in accordance with the requirements set forth herein shall not be diminished or hindered by reason of the inclusion in any insurance under a policy containing aggregate loss limits.

(b) If the Collateral shall be damaged or destroyed, in whole or in part, by fire or other casualty, the Assignor shall give prompt notice thereof to the Collateral Agent. No settlement on account of any loss covered by insurance shall be made for less than fair market value without the consent of the Collateral Agent. Except with respect to third party liability insurance, sums paid to the Assignor by any insurer shall be paid to the Collateral Agent; provided, however, that the Assignor may retain such sums for so long as the aggregate amount of such sums is less than \$100,000; provided, further, that notwithstanding the preceding proviso, during the continuance of any Default or Event of Default the Assignor shall, pay over all such funds upon the written request of the Collateral Agent. Insurance proceeds received by the Collateral Agent shall, so long as no Event of Default shall have occurred and be continuing, be made available to the Assignor for repair or replacement of the Collateral. All insurance proceeds may otherwise be retained and applied by the Collateral Agent toward payment of all or part of the Secured Obligations in such order as it shall elect. If any portion of the insurance proceeds are made available to the Assignor, the Collateral Agent shall not be obligated to see to the proper application of any amount paid to the Assignor.

Section 4.9 Receivables. (a) The Assignor shall perform in all material respects all of its obligations with respect to the Receivables.

(b) The Assignor shall not amend, modify, terminate or waive any provision of any Receivable or of any of the models delivered to the Collateral Agent pursuant to Section 3.5(c) in any manner which could reasonably be expected to materially adversely affect the value of such Receivable as Collateral. Other than (i) in the ordinary course of business as generally conducted by it on and prior to the date hereof and (ii) while no Default or Event of Default shall have occurred and be continuing, the Assignor shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon.

(c) The Assignor shall use its best efforts (including, without limitation, prompt and diligent exercise of each material right it may have under any Receivable (other than any right of termination)) to cause to be collected from each Account Debtor, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of any Receivable, and apply all collected amounts to the outstanding balance of such Receivable immediately upon receipt thereof. Upon the occurrence and during the continuance of a Default or Event of Default, the costs of collection, whether incurred by the Assignor or the Collateral Agent shall be borne by the Assignor and if incurred by the Collateral Agent shall be reimbursed, together with interest thereon at the Default Rate applicable to Base Rate Loans, to the Collateral Agent upon demand and such reimbursement obligation shall be secured hereby.

(d) The Assignor shall promptly notify the Collateral Agent of any Receivable (other than Receivables which in the aggregate, are for a de minimus amount) the Account

Debtor of which is the Federal government of the United States of America or an instrumentality thereof.

(e) Upon the occurrence of an Event of Default, the Assignor shall establish such lock-box arrangements for the collection of Receivables as the Collateral Agent may require in its sole discretion.

Section 4.10 Warehouse Receipts Non-negotiable. The Assignor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt or other Document is issued with respect to any of its Inventory, such warehouse receipt or receipt in the nature thereof or other Document shall not be "negotiable" (as such term is used in Section 7-104 of the UCC or under other relevant law).

Section 4.11 Motor Vehicles. During the continuance of a Default or Event of Default and upon the written request of the Collateral Agent, within the number of days permitted by the applicable jurisdiction for delivery or filing in order to perfect its security interest as of the time of its creation, if after the date hereof the Assignor shall have or acquire any Motor Vehicle or any other item of property the title to which is governed by a certificate of title or ownership, the Assignor shall file in each office in each jurisdiction or deliver to each person which the Collateral Agent shall deem necessary or advisable to perfect its security interest in such Motor Vehicles or other property, all applications for certificates of title or ownership indicating the Collateral Agent's lien on the Motor Vehicle or other property covered by such certificate, and any other necessary documentation and thereafter, as soon as practicable, the Assignor shall deliver to the Collateral Agent originals of the certificates of title or ownership for such Motor Vehicles or other property with the Collateral Agent listed as lienholder, together with the manufacturer's statement of origin; provided, that if the Motor Vehicle or other property acquired is subject to a purchase money security interest, the Collateral Agent shall be listed as a junior lienholder to the Person holding the purchase money security interest.

Section 4.12 No Impairment. The Assignor will not take or permit to be taken any action which could impair the Collateral Agent's or any Secured Party's rights in the Collateral.

Section 4.13 Negative Pledge. The Assignor will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Liens created hereby and other than the Permitted Liens and will defend the right, title and interest of the Collateral Agent and the Secured Parties in and to any of the Collateral against the claims and demands of all Persons whomsoever.

Section 4.14 Limitations on Dispositions of Collateral. The Assignor will not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as permitted in the Credit Agreement.

Section 4.15 Maintenance of Equipment. The Assignor will maintain each item of Equipment and each Motor Vehicle in good operating condition, ordinary wear and tear and

immaterial impairments of value and damage by the elements excepted, and will provide all maintenance, service and repairs necessary for such purpose.

Section 4.16 Notice. The Assignor will advise the Collateral Agent and the Secured Parties promptly, in reasonable detail, in accordance with the provisions hereof (a) of any Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral and (b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the Liens created hereunder.

Section 4.17 Performance by Collateral Agent of Assignor's Obligations; Reimbursement. If the Assignor fails to perform or comply with any of its agreements contained herein the Collateral Agent may, without notice to or consent by the Assignor, perform or comply or cause performance or compliance therewith and the expenses of the Collateral Agent incurred in connection with such performance or compliance, together with interest thereon at the Default Rate applicable to Base Rate Loans shall be payable by the Assignor to the Collateral Agent on demand and such reimbursement obligation shall be secured hereby.

ARTICLE V.

SPECIAL PROVISIONS REGARDING RECEIVABLES

Section 5.1 Assignor Remains Liable under Receivables. Anything herein to the contrary notwithstanding (including without limitation the grant of any rights to the Collateral Agent, each Assignor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Receivable. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any of the Secured Parties of any payment relating to such Receivable pursuant hereto, nor shall the Collateral Agent or any of the Secured Parties be obligated in any manner to perform any of the obligations of an Assignor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Receivable (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 5.2 Notice to Account Debtors. While an Event of Default shall have occurred and be continuing, the Collateral Agent may, and upon request of the Collateral Agent each Assignor shall, notify Account Debtors and parties to the Contracts that the Accounts have been assigned to the Collateral Agent and that payments in respect thereof shall be made directly to the Collateral Agent. The Collateral Agent may in its own name or in the name of others communicate with Account Debtors to verify with them to its satisfaction the existence, amount and terms of any Receivables.

Section 5.3 Collections on Receivables. The Collateral Agent hereby authorizes each Assignor to collect the Receivables, in accordance with the Collateral Agent's direction and control, and the Collateral Agent may curtail or terminate said authority at any time and itself, or by its agents, collect all Receivables. If required by the Collateral Agent at any time, any payments of Receivables, when collected by an Assignor, shall be forthwith (and, in any event, within two Business Days) delivered by such Assignor to the Collateral Agent in the exact form received, duly indorsed by such Assignor to the Collateral Agent if required, for deposit in the Security Agreement Collateral Account, and, until so turned over, shall be held by such Assignor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Assignor. All Proceeds, while held by the Collateral Agent (or by an Assignor in trust for the Collateral Agent and the Secured Parties) shall continue to be Collateral securing all of the Secured Obligations and shall not constitute payment thereof until applied as hereinafter provided.

ARTICLE VI.

SECURITY AGREEMENT COLLATERAL ACCOUNT

Section 6.1 Security Agreement Collateral Account. There is hereby established with the Collateral Agent the Security Agreement Collateral Account. The Security Agreement Collateral Account shall be under the sole and exclusive dominion and control of the Collateral Agent and no Assignor shall have any rights with respect to the Security Agreement Collateral Account except as specifically set forth below with regard to determination of the nature of investments to be made with amounts credited to the Security Agreement Collateral Account. Without limiting the generality of the foregoing, none of the Assignors shall have any right of withdrawal or transfer from the Security Agreement Collateral Account.

Section 6.2 Deposit of Proceeds. There shall be deposited in the Security Agreement Collateral Account from time to time the cash proceeds (as defined in Section 9-102(a) of the UCC) of any of the Collateral (including insurance proceeds thereon) required to be delivered to the Collateral Agent pursuant hereto. All amounts and investments and other items credited to the Security Agreement Collateral Account from time to time shall constitute Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. So long as no Default or Event of Default has occurred and is continuing, the Collateral Agent shall deposit the amounts credited to the Security Agreement Collateral Account to the Assignors' Account promptly. At any time following the occurrence and during the continuance of an Event of Default, the Collateral Agent may in its discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Security Agreement Collateral Account to the payment of the Secured Obligations in the manner specified herein.

Section 6.3 Investment of Balance in Security Agreement Collateral Account. Amounts credited to the Security Agreement Collateral Account shall be invested from time to time in such Cash Equivalents as the Assignors (or, after the occurrence and during the

continuance of a Default or Event of Default, the Collateral Agent), shall determine which Cash Equivalents shall be held in the name and be under the control of the Collateral Agent.

ARTICLE VII.

POWER OF ATTORNEY

Section 7.1 Collateral Agent's Appointment as Attorney-in-Fact. (a) Each Assignor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Assignor and in the name of such Assignor or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Assignor hereby gives the Collateral Agent the power and right, on behalf of such Assignor, without notice to or assent by such Assignor, to do the following:

(i) in the case of any Receivable, at any time when the authority of the Assignor to collect the Receivables has been curtailed or terminated pursuant hereto, or in the case of any other Collateral, at any time when any Event of Default shall have occurred and be continuing, in the name of the Assignor or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under, or with respect to, any Collateral; in the name of the Assignor or otherwise to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(ii) to prepare, sign and file any Uniform Commercial Code financing statements in the name of the Assignor as debtor;

(iii) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Security Agreement, including, without limitation, actions to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or obtain any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iv) upon the occurrence and during the continuance of any Event of Default (a) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (b) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent

jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (c) to defend any suit, action or proceeding brought against the Assignor with respect to any Collateral; (d) to settle, compromise or adjust any suit, action or proceeding described in the preceding clause and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; and (e) generally, to sell or transfer and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and the Assignor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Liens of the Collateral Agent and the Secured Parties thereon and to effect the intent of this Security Agreement, all as fully and effectively as the Assignor might do;

(v) at any time and from time to time, to execute, in connection with any foreclosure, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

Each Assignor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Each Assignor hereby acknowledges and agrees that in acting pursuant to this power-of-attorney the Collateral Agent shall be acting in its own interest and in the interest of the Secured Parties or Collateral Agent and each Assignor acknowledges and agrees that the Collateral Agent shall have no fiduciary duties to such Assignor and such Assignor hereby waives any claims to the rights of a beneficiary of a fiduciary relationship hereunder.

(b) No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Collateral Agent and the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Assignor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

ARTICLE VIII.

REMEDIES; RIGHTS UPON DEFAULT

Section 8.1 Rights and Remedies Generally. Subject to the terms of the BNY Intercreditor Agreement, if an Event of Default shall occur and be continuing, then and in every such case, the Collateral Agent shall have all the rights of a secured party under the UCC, shall have all rights now or hereafter existing under all other applicable laws, and, subject to any mandatory requirements of applicable law then in effect, shall have all the rights set forth in this Security Agreement and all the rights set forth with respect to the Collateral or this Security

Agreement in any other agreement between the parties. No enumeration of rights in this Article or elsewhere in this Security Agreement or in any related document or other agreement shall be deemed to in any way limit the rights of the Collateral Agent as described in this Section.

Section 8.2 Proceeds. If an Event of Default shall occur and be continuing, (a) all Proceeds received by any of the Assignors consisting of cash, checks and other near-cash items shall be held by such Assignor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Assignor in a separate deposit account containing only Proceeds, and shall forthwith upon receipt by such Assignor, be turned over to the Collateral Agent, in the same form received by such Assignor (appropriately indorsed or assigned by such Assignor to the order of the Collateral Agent) or in such other manner as shall be satisfactory to the Collateral Agent; and

(b) Any and all such Proceeds received by the Collateral Agent (whether from an Assignor or otherwise), or any part thereof, may, in the sole discretion of the Collateral Agent, be held by the Collateral Agent in the Security Agreement Collateral Account as Collateral hereunder and/or then or at any time or from time to time thereafter, be applied by the Collateral Agent against the Secured Obligations (whether matured or unmatured), in such order as the Collateral Agent may elect; and

(c) Any balance of such Proceeds remaining after the Secured Obligations shall have been paid and performed in full, and the Commitments shall have been terminated shall be paid over to the Assignors or to whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct.

Section 8.3 Collection of Receivables. If an Event of Default shall occur and be continuing, (a) the Secured Party may instruct the obligor or obligors on any obligation owing or purporting to be owed to any of the Assignors constituting the Collateral (including, without limitation, the Receivables and any other agreement or Instrument) to make any payment required by the terms of such obligation directly to the Collateral Agent;

(b) The Collateral Agent shall have the right from time to time to modify (including, without limitation, to extend the time for payment or arrange for payment in installments) or waive rights under any such obligation and to compromise or settle counterclaims or setoffs with the obligor under any such obligation;

(c) Any and all of such proceeds of such collections paid to the Collateral Agent, or any part thereof, (after deduction of the Collateral Agent's reasonable expenses of collection, including, without limitation, reasonable attorneys fees and disbursements) may, in the sole discretion of the Collateral Agent, be held by the Collateral Agent in the Security Agreement Collateral Account as Collateral hereunder and/or then or at any time or from time to time thereafter, be applied by the Collateral Agent against the Secured Obligations (whether matured or unmatured) in such order as the Collateral Agent may elect. Any balance of such collections remaining after the Secured Obligations have been paid and performed in full, all Letters of Credit have expired, been terminated or returned to the issuer thereof undrawn upon and the Commitments shall have been terminated shall be paid over to the Assignor or to

whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct.

Section 8.4 Direct Assignors to Dispose of Collateral. If an Event of Default shall occur and be continuing, (a) the Collateral Agent may direct any or all of the Assignors to sell, assign or otherwise liquidate or dispose of all or from time to time any portion of the Collateral, and such Assignors shall do so, and the Collateral Agent may at its option, take possession of the Proceeds of such Collateral. The Collateral Agent may direct the Assignors to direct that all Proceeds of such Collateral be paid directly to the Collateral Agent or may permit the Proceeds of such Collateral to be paid to an Assignor and all such Proceeds consisting of cash, checks, or near-cash items shall be held by such Assignor in trust for the Collateral Agent, segregated from other funds of such Assignor in a separate deposit account containing only Proceeds and shall forthwith upon receipt by such Assignor be turned over to the Collateral Agent, in the same form received by such Assignor (appropriately indorsed or assigned by such Assignor to the order of the Collateral Agent) or in such other manner as shall be satisfactory to the Collateral Agent; and

(b) Any and all such Proceeds received by the Collateral Agent (whether from an Assignor or otherwise), may, in the sole discretion of the Collateral Agent be held by the Collateral Agent in the Security Agreement Collateral Account as Collateral hereunder and/or then or at any time or from time to time thereafter, be applied by the Collateral Agent against the Secured Obligations (whether matured or unmatured) in such order as the Collateral Agent may elect. Any balance of such Proceeds remaining after the Secured Obligations have been paid and performed in full and the Commitments shall have been terminated shall be paid over to the Assignors or to whomever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct.

Section 8.5 Security Agreement Collateral Account. If an Event of Default shall occur and be continuing, the Collateral Agent may liquidate any securities credited to the Security Agreement Collateral Account (including any Cash Equivalents) and apply the proceeds thereof and any other amounts credited to the Security Agreement Collateral Account to the Secured Obligations (whether matured or unmatured) in such order as the Collateral Agent may elect. Any balance of such Proceeds remaining after the Secured Obligations have been paid and performed in full, all Letters of Credit have expired, been terminated or returned to the issuer thereof undrawn upon and the Commitments shall have been terminated shall be paid over to the Assignors or to whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct.

Section 8.6 Possession of Collateral. If an Event of Default shall occur and be continuing, (a) the Collateral Agent may, personally or by agents or attorneys, immediately retake possession of the Collateral (including the originals of all or any Receivables, Receivables Records) or any part thereof, from any of the Assignors or any other Person who then has possession of any part thereof with or without notice or judicial process, and for that purpose may enter upon the Assignors' premises where any of the Collateral is located and remove the same and may use in connection with such removal any and all services, supplies, aids and other facilities of the Assignors; and

(b) Upon five Business Days notice to each Assignor, each Assignor shall, at its own expense, assemble the Collateral, including, without limitation, the originals of all Receivables Records (or from time to time any portion thereof) and make it available to the Collateral Agent by delivery to the Collateral Agent at any place or places designated by the Collateral Agent which is reasonably convenient to both parties, whether at an Assignor's or the Collateral Agent's premises or elsewhere. Each Assignor, shall at its sole expense, store and keep any Collateral so assembled at such place or places pending further action by the Collateral Agent and while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain the Collateral in good condition. The Assignors' obligation so to assemble and deliver the Collateral is of the essence of this Security Agreement and, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by an Assignor of said obligation.

(c) When Collateral is in the Collateral Agent's possession, (i) the Assignors shall pay (or reimburse the Collateral Agent on demand for) all reasonable expenses (including the cost of any insurance and payment of taxes or other charges) incurred in the custody, preservation, use or operation of the Collateral, and the obligation to reimburse all such expenses shall be secured hereby and (ii) the risk of accidental loss or damage shall be on the Assignors to the extent of any deficiency in any effective insurance coverage.

Section 8.7 Disposition of the Collateral. If an Event of Default shall occur and be continuing, the Collateral Agent may sell, assign, lease, give an option or options to purchase or otherwise dispose of the Collateral (or contract to do any of the foregoing) under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, at public or private sale or sales, conducted by any Officer, nominee or agent of, or auctioneer or attorney for the Collateral Agent at any location of any third party conducting or otherwise involved in such sale or any office of the Collateral Agent or any Secured Party or elsewhere and in general in such manner, at such time or times and upon such terms and conditions and at such price as it may consider commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent may in its sole discretion restrict prospective bidders as to their number, nature of their business and investment intention. Any of the Collateral may be sold, leased, assigned or options or contracts entered to do so, or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair which the Collateral Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding shall be made upon not less than 10 days' written notice to each Assignor specifying the time after which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale shall be made upon not less than 10 day's written notice to each Assignor (which each Assignor agrees to be commercially reasonable) specifying the time and place of such sale and, in the absence of applicable requirements of law to the contrary, shall be by public auction (which may, at the Collateral Agent's option, be subject to reserve) after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the location of such Assignor's chief executive office. To the extent permitted by applicable law, the Collateral

Agent may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to an Assignor (except to the extent of surplus money received) as provided below. In the payment of the purchase price of the Collateral, the purchaser shall be entitled to have credit on account of the purchase price thereof of amounts owing to such purchaser on account of any of the Obligations and any such purchaser may deliver notes, claims for interest, or claims for other payment with respect to such obligations in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. Such notes, if the amount payable hereunder shall be less than the amount due thereon, shall be returned to the holder thereof after being appropriately stamped to show partial payment. Notwithstanding the foregoing, if the Collateral or any portion thereof is perishable or threatens to decline speedily in value or is of a type customarily sold in a recognized market only such notice as shall be reasonably practicable shall be required.

Section 8.8 Recourse. Each Assignor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to satisfy the Secured Obligations. Each Assignor shall also be liable for all expenses of the Collateral Agent incurred in connection with collecting such deficiency, including, without limitation, the fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

Section 8.9 Expenses; Attorneys Fees. Each Assignor shall reimburse the Collateral Agent for all its expenses in connection with the exercise of its rights hereunder, including without limitation all reasonable attorneys' fees and legal expenses incurred by the Collateral Agent.

Section 8.10 Application of Proceeds. The proceeds of any disposition of Collateral shall be applied as follows:

(a) to the payment of any and all expenses and fees (including reasonable attorneys' fees and disbursements) incurred by the Collateral Agent in connection with the exercise of its rights and remedies hereunder, including without limitation, expenses and fees in connection with obtaining, taking possession of, removing, holding, insuring, repairing, preparing for sale or lease, storing and disposing of Collateral;

(b) to the satisfaction of the Secured Obligations in such order as the Collateral Agent may elect;

(c) any other payment of any amount required to be paid by the Collateral Agent by law;

(d) the satisfaction of indebtedness secured by any subordinate security interest in the Collateral if written notification of demand therefor is received before distribution of the proceeds is completed, but only to the extent of the proceeds undistributed when such notification is received; and

(e) upon termination of the Commitment and the expiration, cancellation or return to the issuer thereof undrawn upon of any Letters of Credit, to the Assignors or as a court of competent jurisdiction may direct.

Section 8.11 Limitation on Duties Regarding Preservation of Collateral. (a) The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Sections 9-207 and 9-208 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account.

(b) The Collateral Agent shall have no obligation to take any steps to preserve rights against prior parties to any Collateral.

(c) Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of an Assignor or otherwise.

Section 8.12 Waiver of Claims. Except as otherwise provided in this Security Agreement, EACH ASSIGNOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH ASSIGNOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE STATE OF NEW YORK OR OF ANY OTHER STATE, and each Assignor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct;

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder;

(c) demand of performance or other demand, notice of intent to demand or accelerate, notice of acceleration presentment, protest, advertisement or notice of any kind to or upon such Assignor or any other Person; and

(d) all rights of redemption, appraisement, valuation, diligence, stay, extension or moratorium now or hereafter in force under any applicable law in order to deny or delay the enforcement of this Security Agreement or the absolute sale of the Collateral or any portion thereof, and each Assignor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Section 8.13 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the respective Assignor and the Collateral Agent and the Secured Parties shall be returned to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Security Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE IX.

INDEMNITY

Section 9.1 Indemnity. (a) Each Assignor agrees to indemnify, reimburse and hold the Collateral Agent and each Secured Party, and their respective officers, directors, employees, representatives and agents (hereinafter in this Section referred to individually as "Indemnitee" and collectively as "Indemnitees") harmless from any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements (including reasonable attorneys, fees and expenses but not including taxes on the net income of the Indemnitee) (for the purposes of this Section the foregoing are collectively called "expenses") for whatsoever kind or nature which may be imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Security Agreement or the documents executed in connection herewith or in any other way connected with the administration of the transactions contemplated hereby or the enforcement of any of the terms of or the preservation of any rights hereunder, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition or use of the Collateral (including, without limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee), or for property damage) or any contract claim; provided that no Indemnitee shall be indemnified pursuant to this Section for expenses to the extent caused by the gross negligence or willful misconduct of such Indemnitee. Each Assignor agrees that upon written notice by any Indemnitee of any assertion that could give rise to an expense, such Assignor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its best efforts to promptly notify each Assignor of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of clause (a) of this Section, each Assignor agrees to pay, or reimburse the Collateral Agent for any and all fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Collateral Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other fees, costs and

expenses in connection with protecting, maintaining or preserving the Collateral and the Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) Without limiting the application of clauses (a) or (b) of this Section, each Assignor agrees to pay, indemnify and hold each Indemnitee harmless from and against any expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of any misrepresentation by an Assignor in this Security Agreement or in any statement or writing contemplated by or made or delivered pursuant to or in connection with this Security Agreement.

(d) If and to the extent that the obligations of an Assignor under this Section are unenforceable for any reason, each Assignor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

Section 9.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Collateral. The indemnity obligations of each Assignor contained in this Article shall continue in full force and effect notwithstanding the full payment and performance of the Secured Obligations and notwithstanding the discharge thereof.

ARTICLE X.

MISCELLANEOUS

Section 10.1 Governing Law; Submission to Jurisdiction. (a) THE RIGHTS AND DUTIES OF THE BORROWER, THE AGENT AND THE BANKS UNDER THIS AGREEMENT SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

(b) Any legal action or proceeding with respect to this Security Agreement and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Security Agreement, each Assignor hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. Each Assignor irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Assignor at its address set forth under its signature below. Each Assignor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Security Agreement brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall

affect the right of the Collateral Agent to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any of the Assignors in any other jurisdiction.

Section 10.2 Waiver of Trial by Jury. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE ASSIGNORS, THE COLLATERAL AGENT AND THE SECURED PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS SECURITY AGREEMENT OR ANY MATTER ARISING HEREUNDER.

Section 10.3 Limitation of Liability. No claim may be made by any of the Assignors or any other Person against the Collateral Agent or any Secured Party or the affiliates, directors, officers, employees, attorneys or agent of any of them for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Security Agreement, or any act, omission or event occurring in connection therewith; and each Assignor hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 10.4 Notices. Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy, telex, or cable communication), and shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the United States mail, postage prepaid, or, in the case of telex notice, when sent, answerback received, or, in the case of telecopy notice, when sent, or, in the case of a nationally recognized overnight courier service, one Business Day after delivery to such courier service, addressed, in the case of each party hereto, at its address specified opposite its signature below, or to such other address as may be designated by any party in a written notice to the other party hereto, provided that notices and communications to the Collateral Agent shall not be effective until received by the Collateral Agent. Any Notice required to be delivered to Secured Parties shall be delivered to them in accordance with the provisions hereof at their respective addresses set forth in the Credit Agreement.

Section 10.5 Successors and Assigns. This Security Agreement shall be binding upon and inure to the benefit of the Assignors, the Collateral Agent, the Secured Parties, all future holders of the Secured Obligations and their respective successors and assigns, except that the Assignors may not assign or transfer any of its rights or obligations under this Security Agreement without the prior written consent of the Collateral Agent and each Secured Party.

Section 10.6 Waivers and Amendments. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each Assignor and the Collateral Agent, provided that any provision of this Security Agreement may be waived by the Collateral Agent in a written letter or agreement executed by the Collateral Agent or by telex or facsimile transmission from the

Collateral Agent. Any such amendment, supplement, modification or waiver shall apply to each of the Secured Parties equally and shall be binding upon the Assignors, the Collateral Agent, the Secured Parties, and all future holders of the Secured Obligations. In the case of any waiver, the Assignors, the Collateral Agent, the Secured Parties shall be restored to their former position and rights hereunder and under the outstanding Secured Obligations, and any Default or Event of Default waived shall be deemed to be cured and not continuing, but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Section 10.7 No Waiver; Remedies Cumulative. No failure or delay on the part of the Collateral Agent in exercising any right, power or privilege hereunder and no course of dealing between the Assignors and the Collateral Agent shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent would otherwise have on any future occasion. The rights and remedies herein expressly provided are cumulative may be exercised singly or concurrently and as often and in such order as the Collateral Agent deems expedient and are not exclusive of any rights or remedies which the Collateral Agent would otherwise have whether by agreement or now or hereafter existing under applicable law. No notice to or demand on the Assignors in any case shall entitle the Assignors to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand.

Section 10.8 Termination; Release. When the Secured Obligations have been indefeasibly paid and performed in full and after termination of the Commitment and the expiration, cancellation or return to the issuer thereof of all Letters of Credit, this Security Agreement shall terminate, and the Collateral Agent, at the request and sole expense of the Assignors, will duly assign, transfer and deliver to the Assignors, without recourse, representation or warranty of any kind whatsoever, such of the Collateral as may be in possession of the Collateral Agent and has not theretofore been disposed of, applied or released. Upon the sale or other transfer by any Assignor of any Collateral that is permitted pursuant to the Credit Agreement (including the granting of Liens on yachts permitted pursuant to Section 7.3(h) of the Credit Agreement), or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 10.5 of the Credit Agreement, the security interest in such Collateral shall be automatically released. Upon any such termination or release, the Collateral Agent will, at the request and sole expense of such Assignor, execute and deliver to such Assignor such documents as such Assignor shall reasonably request to evidence such termination.

Section 10.9 Counterparts. This Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

Section 10.10 Effectiveness. This Security Agreement shall become effective on the date on which all of the Assignors shall have signed a counterpart hereof and shall have delivered the same to the Collateral Agent.

Section 10.11 Headings Descriptive. The headings of the several Sections and subsections of this Security Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Security Agreement.

Section 10.12 Severability. In case any provision in or obligation under this Security Agreement or the Secured Obligations shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.13 Survival. All indemnities set forth herein shall survive the execution and delivery of this Security Agreement and the making and repayment of the Secured Obligations.

Section 10.14 Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

Section 10.15 Authority of Collateral Agent. Each Assignor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and each Assignor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and each Assignor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

ARTICLE XI.

REVISED ARTICLE 9

Section 11.1 Concerning Revised Article 9 of the Uniform Commercial Code. The parties acknowledge and agree to the following provisions of this Section in anticipation of the application, in one or more jurisdictions to the transactions contemplated hereby, of the revised Article 9 of the UCC in the form or substantially in the form approved by the American Law Institute and the National Conference of Commissioners on Uniform State Law and contained in the 1999 official text of Revised Article 9 ("Revised Article 9").

(a) Attachment. In applying the law of any jurisdiction in which Revised Article 9 is in effect, the Collateral is all assets of the Assignors, whether or not within the scope of Revised Article 9. The Collateral shall include, without limitation, the following categories of assets as defined in Revised Article 9: goods (including inventory, equipment and any accessions

thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, wherever located, whether now owned and hereafter acquired. If any of the Assignors shall at any time, whether or not Revised Article 9 is in effect in any particular jurisdiction, acquire a commercial tort claim, as defined in Revised Article 9, such Assignor shall immediately notify the Collateral Agent in a writing signed by such Assignor of the brief details thereof and grant to the Collateral Agent for the benefit of itself and the Lenders in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.


(b) Perfection by Filing. The Collateral Agent may at any time and from time to time, pursuant to the provisions of Section 4.1 hereof, file financing statements, continuation statements and amendments thereto that describe the Collateral as all assets of the Assignors or words of similar effect and which contain any other information required by Part 5 of Revised Article 9 for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether an Assignor is an organization, the type of organization and any organization identification number issued to such Assignor. Each Assignor agrees to furnish any such information to the Collateral Agent promptly upon request. Any such financing statements, continuation statements or amendments may be signed by the Agent on behalf of each Assignor, and may be filed at any time in any jurisdiction whether or not Revised Article 9 is then in effect in that jurisdiction.

(c) Other Perfection, etc. Each Assignor shall at any time and from time to time, whether or not Revised Article 9 is in effect in any particular jurisdiction, take such steps as the Collateral Agent may reasonably request for the Collateral Agent (a) to obtain an acknowledgement, in form and substance satisfactory to the Collateral Agent, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Collateral Agent for the benefit of itself and the Lenders, (b) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such terms are defined in Revised Article 9 with corresponding provisions in Rev. §§ 9-104, 9-105, 9-106 and 9-107 relating to what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance satisfactory to the Collateral Agent, and (c) otherwise to insure the continued perfection and priority of the Collateral Agent's security interest for the benefit of itself and the Lenders in any of the Collateral and of the preservation of its rights therein, whether in anticipation and following the effectiveness of Revised Article 9 in any jurisdiction.

(d) Savings Clause. Nothing contained in this Section 11.1(d) shall be construed to narrow the scope of the Collateral Agent's security interest hereunder in any of the Collateral or the perfection or priority thereof or to impair or otherwise limit any of the rights, powers, privileges or remedies of the Collateral Agent, or the Lenders hereunder except (and then only to the extent mandated by Revised Article 9) to the extent then applicable.


IN WITNESS WHEREOF, the Assignors and the Collateral Agent have caused this Security Agreement to be duly executed and delivered as of the date first above written.

JTC ACQUISITION LLC

By: 
Name: Mark W. Peters
Title: VP

Address for Notices:
c/o Genmar Holdings, Inc. Attn: General Counsel
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

GENMAR TRANSPORTATION LLC

By: 
Name: Mark W. Peters
Title: VP

Address for Notices:
c/o Genmar Holdings, Inc. Attn: General Counsel
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

GENMAR IP LLC

By: 

Name: Mark W. Peters

Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General
2900 IDS Center Counsel

80 South Eighth Street

Minneapolis, Minnesota 55402

Telephone: (612) 339-7900

Telecopy: (612) 337-1930

FOUR WINNS BOATS, L.L.C.

By: 

Name: Mark W. Peters

Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General
2900 IDS Center Counsel


80 South Eighth Street

Minneapolis, Minnesota 55402

Telephone: (612) 339-7900

Telecopy: (612) 337-1930

SEASWIRL BOATS, INC.

By: 

Name: Mark W. Peters

Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General
2900 IDS Center Counsel

80 South Eighth Street

Minneapolis, Minnesota 55402


Telephone: (612) 339-7900

Telecopy: (612) 337-1930

TRADEMARK

REEL: 002353 FRAME: 0670


LOWE BOATS, INC.

By: 
Name: Mark W. Peters
Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General Counsel
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930


STRATOS BOATS, INC.

By: 
Name: Mark W. Peters
Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General Counsel
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

LUND BOATS, INC.

By: 
Name: Mark W. Peters
Title: VP

Address for Notices:

c/o Genmar Holdings, Inc. Attn: General Counsel
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

GENMAR YACHT CENTER, INC.

By: Mark W. Peters
Name: Mark W. Peters
Title: VP

Address for Notices:

c/o Genmar Holdings, Inc.
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

Attn: General
Counsel

YACHTSCAPE LLC

By: Mark W. Peters
Name: Mark W. Peters
Title: VP

Address for Notices:

c/o Genmar Holdings, Inc.
2900 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 339-7900
Telecopy: (612) 337-1930

Attn: General
Counsel

THE BANK OF NEW YORK,
as Collateral Agent

By: _____
Title: VP

Address for Notices:

The Bank of New York
U.S. Commercial Banking
Central Division
One Wall Street
19th Floor
New York, New York 10286
Telephone: (212) 635-8044
Telecopy: (212) 635-1208

GENMAR YACHT CENTER, INC.

By: _____

Name:

Title:

Address for Notices:

c/o Genmar Holdings, Inc.

2900 IDS Center

80 South Eighth Street

Minneapolis, Minnesota 55402

Telephone: (612) 339-7900

Telecopy: (612) 337-1930

YACHTSCAPE LLC

By: _____

Name:

Title:

Address for Notices:

c/o Genmar Holdings, Inc.

2900 IDS Center

80 South Eighth Street

Minneapolis, Minnesota 55402

Telephone: (612) 339-7900

Telecopy: (612) 337-1930

THE BANK OF NEW YORK,
as Collateral Agent

By: 

Title: VP

Address for Notices:

The Bank of New York

U.S. Commercial Banking

Central Division

One Wall Street

19th Floor

New York, New York 10286

Telephone: (212) 635-8044

Telecopy: (212) 635-1208

TRADEMARK

REEL: 002353 FRAME: 0673

Exhibit 3.8

All names under which the Assignors have conducted business during the last five years:

JTC Acquisition LLC

Hydra-Sports Boats
Lowe Boats
Seaswirl Boats
Stratos/Javelin Boats

Genmar Transportation LLC

None

Genmar IP LLC

None

Four Winns Boats, L.L.C.

None

Seaswirl Boats, Inc.

None

Lowe Boats, Inc.

None

Stratos Boats, Inc.

None

Lund Boats, Inc.

None

Genmar Yacht Center, Inc.

None

Yachtscape LLC

None

SCHEDULE I

Filing offices for UCC Financing Statements (Section 3.1)

<u>Assignor</u>	<u>State of Organization/Incorporation</u>	<u>Filing Office</u>
JTC Acquisition LLC	Delaware	Delaware Secretary of State
Genmar IP LLC	Delaware	Delaware Secretary of State
Genmar Transportation LLC	Delaware	Delaware Secretary of State
Four Winns Boats, L.L.C.	Delaware	Delaware Secretary of State
Seaswirl Boats, Inc.	Delaware	Delaware Secretary of State
Lowe Boats, Inc.	Delaware	Delaware Secretary of State
Stratos Boats, Inc.	Delaware	Delaware Secretary of State
Lund Boats, Inc.	Delaware	Delaware Secretary of State
Genmar Yacht Center, Inc.	Delaware	Delaware Secretary of State
Yachtscape LLC	Delaware	Delaware Secretary of State

SCHEDULE II

List of Instruments

None.

SCHEDULE III

Chief Executive Office and Other Control Locations

<u>Assignor</u>	<u>Chief Executive Office</u>	<u>Location of Receivable Records and Collateral Records</u>
JTC Acquisition LLC	2900 IDS Center 80 South Eighth St. Minneapolis, MN 55402	2900 IDS Center 80 South Eighth St. Minneapolis, MN 55402
Genmar IP LLC	2900 IDS Center 80 South Eighth St. Minneapolis, MN 55402	N/A
Genmar Transportation LLC	2900 IDS Center 80 South Eighth St. Minneapolis, MN 55402	925 Frisbee Street Cadillac, MI 49601
Four Winns Boats, L.L.C.	925 Frisbee Street Cadillac, MI 49601	925 Frisbee Street Cadillac, MI 49601
Seaswirl Boats, Inc.	7 th & C Street Culver, OR 97734	7 th & C Street Culver, OR 97734
Lowe Boats, Inc.	2900 Industrial Drive Lebanon, MO 65536	2900 Industrial Drive Lebanon, MO 65536
Stratos Boats, Inc.	880 Butler Road Murfreesboro, TN 37130	880 Butler Road Murfreesboro, TN 37130
Lund Boats, Inc.	2900 IDS Center 80 South Eighth Street Minneapolis, MN 55402	N/A
Genmar Yacht Center, Inc.	2900 IDS Center 80 South Eighth Street Minneapolis, MN 55402	N/A
Yachtscape LLC	2900 IDS Center 80 South Eighth Street Minneapolis, MN 55402	N/A

SCHEDULE IV

Locations of Inventory and Equipment

<u>Assignor</u>	<u>Location(s)</u>
JTC Acquisition LLC	Assignor owns no inventory or equipment
Genmar IP LLC	Assignor owns no inventory or equipment
Genmar Transportation LLC	925 Frisbee Street Cadillac, MI 49601
Four Winns Boats, L.L.C.	925 Frisbee Street Cadillac, MI 49601
	905 Frisbee Street Cadillac, MI 49601
	926 Frisbee Street Cadillac, MI 49601
	707 W. 13 th Street Cadillac, MI 49601
	609 W. 13 th Street Cadillac, MI 49601
	1406 Lesson Avenue Cadillac, MI 49601
	1552 Frank Miltner Street Cadillac, MI 49601
Seaswirl Boats, Inc.	7 th & C Street Culver, OR 97734
Lowe Boats, Inc.	2900 Industrial Drive Lebanon, MO 65536
Stratos Boats, Inc.	880 Butler Road Murfreesboro, TN 37130

Yachtscape LLC

Assignor owns no inventory or equipment

Lund Boats, Inc.

Assignor owns no inventory or equipment

Genmar Yacht Center, Inc.

Assignor owns no inventory or equipment

GENMAR IP LLC
U.S. TRADEMARK REGISTRATIONS

TRADEMARK	REG. NO.	ISSUE DATE	INTL CLASS
CONTINENTAL	1,413,276	10/14/86	12
EUROSPORT	1,406,665	8/26/86	12
FISHING MACHINE	1,633,952	2/5/91	12
FLING	1,902,166	6/27/95	12
FOUR WAVES DES w/o border	1,470,599	12/29/87	12
FOUR WAVES DES. w/border	1,471,376	1/5/88	12
FOUR WINNS	1,468,967	12/15/87	12
HYDRA-SPORTS	1,261,657	12/20/83	12
JAMAICA	1,800,075	10/19/93	12
JAVELIN	2,402,221	11/7/00	25
JAVELIN	1,497,623	7/26/88	12
JAVELIN & DESIGN	1,565,804	11/14/89	12
LIBERATOR	1,468,966	12/15/87	12
LOWE	1,603,634	6/26/90	12
LTS	2,404,366	11/14/00	12
ODYSSEY	1,951,414	1/23/96	12
ROUGHNECK	1,380,317	1/28/86	12
SEA NYMPH	1,006,889	3/18/75	12
SEAHORSE	2,404,371	11/14/00	12
SEASWIRL	2,404,361	11/14/00	25
SEASWIRL	698,900	6/7/60	12
SIZZLER	1,873,753	1/17/95	12
SPORT DECK	1,988,750	7/23/96	12
SPRINGBOK	1,729,183	11/3/92	12
SPYDER	1,793,585	9/21/93	12
STABLE-VEE	1,767,392	4/27/93	12
STINGER	1,860,354	10/25/94	12
STRATOS	1,393,959	5/20/86	12
STRIPER & DESIGN	2,375,474	8/8/00	12
SUNCRUISER	1,660,731	10/15/91	12
TAHITI	1,796,949	10/5/93	12
TOPAZ	1,021,025	9/23/75	12
TRINIDAD	1,796,650	10/5/93	12
VEE-LOK	1,530,770	3/21/89	12
VERSAILLES	2,383,464	9/5/00	12
VISTA	2,381,562	8/29/00	12
WE TAKE THE WORLD BOATING	2,225,593	2/23/99	12
YUKON	2,404,372	11/14/00	12
UNIFLITE	688,633	11/24/59	12
VENOM	1,871,033	1/3/95	7, 19, 23
VENOM	2,393,464	10/10/00	12, 19, 21, 23, 31, 35, 44